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Diana T Fritz 10/01/2006 11:20:50 AM From DB/Inbox: Diana T Fritz

Cable
Text:

S E C R E T ABU DHABI 03818

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CXABU:

ACTION: OFAC
INFO: AMB DCM POL ECON

DISSEMINATION: OFAC
CHARGE: PROG

APPROVED: AMB: MJSISON
DRAFTED: OFAC: JBEAL
CLEARED: DCM: MQINN ECON: OJOHN

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TO RUEHC/SECSTATE WASHDC PRIORITY 7142
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RHMFISS/FBI WASHINGTON DC PRIORITY
RHEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC PRIORITY
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUEHIL/AMEMBASSY ISLAMABAD 1539
RUEHBUL/AMEMBASSY KABUL 0320
RUEHLO/AMEMBASSY LONDON 1115
RUEHDE/AMCONSUL DUBAI 6475
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC

S E C R E T SECTION 01 OF 04 ABU DHABI 003818

SIPDIS

NOFORN

STATE FOR EB A/S SULLIVAN, EB/ESC/TFS DNELSON,
NEA/ARP RTAGGART, DBAGWELL
S/CT HCRUMPTON
TREASURY FOR U/S LEVEY, A/S POBRIEN, PHEFFERNAN, KHECHT,
ACURTIS
FBI FOR FWAIKART, MMOREHART, MHUDSON, JHERRING
CIA FOR CTC/FINO
DHS FOR DHS/ICE, FINANCIAL AND TRADE INVESTIGATIONS,
KDELLACOLI, JGALLION
NSC FOR FTOWNSEND, JZARATE, MMALVESTI, NSHAMPAIN, MTAYLOR

E.O. 12958: DECL: 09/15/2016
TAGS: [PTER](#) [KTFN](#) [SO](#) [PK](#) [AF](#) [IZ](#) [AE](#)
SUBJECT: A/S O,BRIEN AND A/S SULLIVAN CO-CHAIR 3RD U.S./UAE
JTFCC MEETING

REF: A. ABU DHABI 2211
[B](#). ABU DHABI 2281
[C](#). ABU DHABI 409

Classified By: Ambassador Michele J. Sison, for reasons 1.4 b and d.

[1](#)1. (U) This is an action request. Please see para 11.

[1](#)2. (S) Summary. The third meeting of the U.S./UAE Joint Terrorist Financing Coordinating Committee (JTFCC) was held in Abu Dhabi on September 12, 2006. The JTFCC was chaired on the UAE side by Central Bank Governor Sultan Nasser al-Suweidi and co-chaired on the U.S. side by Treasury A/S for Terrorist Financing and Financial Crime Patrick O'Brien and State A/S for Economic and Business Affairs Daniel Sullivan. During the JTFCC, DHS/ICE discussed the &Proposed

Terms of Reference Paper⁸ for the U.S./UAE Cash Courier interdiction program and tried to set a date for the operation. However, Governor Suweidi insisted that a gap analysis⁸ and best practices paper be done before the operation begins. Regarding Somali hawala flows Governor Suweidi agreed to A/S O'Brien's proposal to commence a joint U.S./UAE/UK Somali-hawala working-level group. Suweidi said that the UAE was ready to cooperate to better understand cash flows, particularly via couriers, to Afghanistan and the Taliban. Suweidi also raised a concern about U.S. military personnel carrying large amounts of cash transiting the UAE coming to and from Iraq. Regarding charitable oversight, the UAE tightened regulations on charitable organizations requiring a new certificate, signed by the Minister of Social Affairs, to open and operate a bank account.

JTFCC

13. (S/NF) On September 12, the U.S./UAE Joint Terrorist Finance Coordinating Committee (JTFCC) met for the third time. The U.S. delegation, led by Treasury A/S for Terrorist Financing and Financial Crime (TFFC) Patrick O'Brien and State A/S for Economic and Business Affairs Daniel Sullivan, also included Ambassador, Matthew Levitt (Treasury's Office of Intelligence and Analysis DAS); Frank Waikart, FBI Special Advisor; Michael Morehart, Chief of Terrorist Finance Operations Section (FBI); Joe Gallion, DHS/ICE Financial Investigations Section Chief,; Treasury TFFC Policy Advisor Kristen Hecht Treasury Office of Foreign Assets Control Attache, Jason Beal; DHS/ICE Attache; Legat; DEA; and Econoff. The UAE delegation, led by Central Bank Governor Sultan Nasser al-Suweidi, included officials from the Central Bank's Anti-Money Laundering and Suspicious Cases Unit; the UAE Ministries of Interior, Justice, Foreign Affairs, Economy, Finance and Industry; Federal Customs Authority; Securities and Commodities Authority; Federation of UAE Chambers of Commerce and Industry; Department of Planning and Economy; Economic Development Department of Dubai; and State Security Directorate (SSD).

Cash Courier Interdiction Program

14. (C) A/S O'Brien opened the meeting with a discussion of the proposed U.S.-UAE Cash Courier Interdiction Program(Ref A)(Note: The UAEG's National Anti-Money Laundering Committee is reviewing the cash courier interdiction program End note.) Commending the structure and importance of the UAEG's National Anti-Money Committee, A/S O'Brien also remarked on its similarities to the USG's public and private sector coordinating group, the Bank Secrecy Act Advisory Group. DHS/ICE Joe Gallion briefly discussed the Proposed Terms of Reference Paper⁸ for the program and encouraged the UAE to set a date for the operation and to ensure full UAEG participation in the operation to facilitate effective USG/UAEG personnel cooperation. Governor Suweidi argued that to clarify the terms of reference it would be better to subdivide⁸ the cash courier issue and do separate training related to each subdivision. Gallion then detailed the June 2006 curriculum of the customs training completed by 200 UAE customs officers. Suweidi also insisted that before moving forward on any operation, a gap analysis⁸ should be done to identify the differences between the U.S. and UAE cash reporting regulations and procedures. A/S O'Brien suggested that there should be a sense of urgency to capitalize on the resource of the 200 trained UAE customs personnel and that the interdiction operational plan could help create the gap analysis⁸ and utilize the recently trained resources. However, the governor insisted that a best practices paper, along with the gap analysis, and a timetable should be done prior to any operation.

15. (C) Ambassador and ICE Attache stressed the importance of moving from training to setting a date for a hands-on⁸

operation at the airport. Ambassador suggested that the US side could provide the requested gap analysis⁸ by September 19 and the best practices paper the following week.

Governor

Suweidi offered Ahmed Al Qamzi, Head of the International Division of the Anti Money Laundering and Suspicious Cases Unit (AMLSCU), to coordinate with DHS/ICE Attache on the analysis and agreed to a due date⁸ of September 26.

Somali) UAE Hawala Flows

16. (C) In response to the governor's questions at the second JTFCC meeting about Somali hawaladars, A/S O'Brien suggested that the best way to understand fully the Somali hawala money flows would be to hold a working level meeting with the US, UK and the UAE. (Abu Dhabi 2081). Governor Suweidi welcomed the idea of working jointly with the US and the UK on this but he emphasized that the UAE didn't have much to discuss⁸ on this issue, but he did add that he believed that Somali hawaladars in the UAE would willingly volunteer to register their hawala businesses in the UAE. Governor Suweidi also implied that when dealing with any issues related to Somalia that all parties involved should keep in mind that the humanitarian factor should be taken into consideration, &these people need to eat and live.⁸ (Note: The interagency needs to reach out to Embassy London to work with the UK on this issue and coordinate a date and location among the USG/UAEG/UK for the initial working group to take place. End note.)

Financial Flows Into and Out of Afghanistan

17. (S) The USG and the UAEG have troops on the ground in Afghanistan, A/S O'Brien thanked Governor Suweidi and his delegation for the UAEG's commitment to assist in the USG's efforts to establish security in Afghanistan. Continuing, A/S O'Brien raised USG concerns regarding illicit cash flows to the Taliban, particularly via cash couriers. Governor Suweidi said that the UAE was ready to cooperate and asked for USG assistance in determining who are the bad⁸ actors in Afghanistan. He continued to explain that the UAE Financial Intelligence Unit (FIU), the AMLSCU, trained the Afghan FIU and is looking to sign a memorandum of understanding with its Afghan counterpart. A/S O'Brien encouraged the UAE to begin sharing information as soon as possible because the Afghan FIU was beginning to receive reporting from its money exchanges/hawalas. Governor Suweidi suggested that the Afghan cash transfer issue could also be addressed as part of the gap analysis.⁸ Governor Suweidi said that the money exchange companies in the UAE have interests in Afghanistan, particularly since there is limited financial infrastructure in the country. He added that it was difficult for regulators to understand cash flows to Afghanistan since much of the money flows through Pakistan, making it difficult to determine destination or origin. Before the JTFCC some UAE exchange companies told the Governor about their concern regarding funds transfers to Afghanistan. A/S O'Brien suggested that targeting financial flows to the Taliban could be integrated into the UAEG/USG targeting process to stem financial flows to Al Qaeda and to understand the Somali hawala system in the UAE. (Note: The Central Bank had invited several banks and money changing companies to the JTFCC, but due to the sensitive nature of the discussions it was determined that they should not participate. End note.)

US Military Bringing Cash Through the UAE?

18. (U) Governor Suweidi asked the U.S. delegation about how UAE Customs officers should deal with U.S. military officers bringing large amounts of cash with them as they travel through the UAE to or from Iraq. A/S O'Brien noted that

since there is not a formal financial system in Iraq many USG contracts are paid in cash. A/S Sullivan said that U.S. officials are obligated under UAE law to report the cash they carry. He added that the USG would follow up on this issue. (Comment: The fact that the UAE is aware that cash is couriered through the UAE is interesting and worth noting. It indicates the UAE Customs officers may be tracking cross-border cash movements more closely than the USG has previously thought. On the other hand, the Governor could have mentioned this issue to show that the USG facilitates cash couriers. The &gap analysis8 exercise and follow on operation will help us gain a better understanding of how the UAE actually implements its own detecting/declaration procedures. End comment.)

Follow-up on UAE Charity Regulation

¶9. (C) Since the last JTFCC meeting (Ref B) the UAE amended its money laundering regulations (Circular No. 24/2000) regarding bank accounts for charities. Under the amended regulations, banks cannot open accounts unless the charity submits an original certificate signed by the Minister of Social Affairs certifying that the charity is authorized to operate in the UAE. The certificate will also indicate whether the charity is authorized to collect donations and make financial transfers out of the UAE through its bank accounts. (Note: The U.S. delegation requested and received a written copy of the revised regulations via email. The information above was confirmed in the revised regulations. End note.) Abdulrahim al-Awadi, Executive Director and In-Charge of the Central Bank's Anti Money Laundering and Suspicious Cases Unit (AMLSCU), added that the certificate should indicate the names and numbers of all accounts, and that all existing charities will be asked to update their information with the Ministry of Social Affairs and obtain this new certificate to provide to the banks. Al-Awadi also said that the charities should keep a registry of where their donations are sent. When asked if there was a regular renewal of these certificates, Governor Suweidi said that there was not an annual renewal process, but that the Ministry of Social Affairs could revise the certificates as needed if factors relating to the charity changed.

JTFCC Draft MOU, Next JTFCC

¶10. (U) The draft MOU, which Governor Suweidi requested at both previous JTFCC meetings (Ref B and C) was passed to the Ministry of Foreign Affairs and Central Bank in June. It is now being reviewed by the UAE Ministry of Justice. The Governor explained that since the MOU would be a state-to-state agreement it requires approval by the cabinet and this process would take some time. It was proposed and tentatively agreed that the next JTFCC be held the first or second week of January. (Note: Post will coordinate with the UAE Central Bank and Washington to confirm the timing of the fourth JTFCC. End note.)

¶11. (C) Action Requests:

-- (for Treasury/Interagency) Please provide post with possible dates and a suggested venue for the proposed US-UK-UAE working level discussion on Hawala flows to Somalia.

-- (For State EB/FO) Please provide any points Post can use with the Governor to respond to his concerns about U.S. military &officers8 carrying cash to Iraq.

-- (For State, Treasury, DHS/ICE, FBI) Please provide suggested dates that we can offer to the UAEG for the fourth JTFCC. Post recommends avoiding the December 31-January 3 timeframe, January 14, and January 20 (or 21) as local holidays. The UAE weekend is Friday-Saturday. End Action Requests.

Cleared by A/S O'Brien.

